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DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD ON THE SECOND PART OF ITS FORTIETH SESSION

Rapporteur: Mr. Marcel Van der Kolk (Netherlands)

Addendum

ITEM 8 (a): JAG REPORT

Speakers: Chairman of Joint Advisory Group (Netherlands)
Romania
Switzerland
Chile (for Group of 77)
Russian Federation
Canada
Peru
China
Cameroon
Sweden (for the Nordic countries)

Note for Delegations

This draft report is a provisional text circulated for clearance by delegations.

Requests for amendments - to be submitted in English or French - should be communicated by Friday, 6 May 1994 at the latest to:

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Chapter III

OTHER MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT

Report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twenty sixth session

(Agenda item 8 (a))

1. For its consideration of this item, the Board had before it the report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twenty-sixth session (ITC/AG(XXVI)/139 and Add.1) distributed under cover of TD/B/40(2)/8.

2. The **Chairman of the Joint Advisory Group**, Mr. Boddens-Hosang (Netherlands), introducing the report, recalled that the Group had examined the following matters: (i) a review of ITC's technical cooperation activities in 1992, based on its Annual Report; (ii) a report of the ITC's technical meeting, held in 1992, on the evaluation of the ITC's subprogramme on institutional infrastructure for trade promotion at the national level; and (iii) a report of the ITC's technical meeting, held in 1993, on the evaluation of ITC's activities in commodity trade, development and promotion.

3. He reported that the Officer-in-Charge of ITC, in introducing the Annual Report, had provided an update of ITC's main activities, the problems encountered, and the responses thereto, and suggestions for the future. It had been recalled that half of the management-level posts in the ITC had been vacant for a considerable period of time and that the filling of these posts had become even more urgent since two of the three remaining ITC Directors were due to retire in 1994. The Officer-in-charge had also referred to ITC's efforts during 1992 to realign its activities within the new Medium-Term Plan covering the period 1992-1997 and had given a detailed account of ITC's activities related to environment, including preliminary work on eco-labelling, and to ITC's efforts to establish a field presence. As regards the resource situation, delivery from trust funds, including funds-in-trust, had reached its highest figure in 1992, while the availability of trust funds had declined in 1993 owing to a reduced contribution from some major donor countries. Although efforts had been made to diversify resources, the Officer-in-Charge had appealed to the donor community to arrest or reverse the decline in contributions to the ITC, especially in view of the increased demand on ITC's services from developing countries following the

successful conclusion of the Uruguay Round negotiations.

4. The Officer-in-charge had recalled that the ITC would be celebrating its thirtieth anniversary in 1994, which would provide a suitable opportunity for a review of its current and future activities, role and direction. In this context, the ITC secretariat had embarked upon the preparation of a mission statement which would be submitted for the consideration of the Joint Advisory Group at its twenty-seventh session in 1994.

5. The Group had unanimously expressed its appreciation to the Officer-in-charge and the ITC staff for the excellent work carried out in very difficult circumstances and had expressed satisfaction that ITC had achieved its historically highest rate of programme implementation in 1992. The Group had expressed regret for the difficult circumstances in which ITC continued to find itself owing to the undue postponement of a decision on the appointment of its Executive Director and the filling of other key management posts, and had called on ITC's parent bodies to arrive urgently at an appropriate solution.

6. With a view to revitalizing ITC, one delegation had circulated a non-paper proposing a review of ITC's mandate, financial and personnel situation, general structure, and its relations with its parent bodies. The review would also examine the broader perspective for strengthening the operational activities of the United Nations system in the trade promotion sector. Following informal discussions on the proposal, the Joint Advisory Group agreed that its Bureau should initiate informal consultations at an appropriate time on the terms of reference and timing of the review.

7. The representative of **Romania** expressed appreciation for ITC's technical assistance work in developing countries and countries in transition. He considered that ITC's activities should be strengthened to enable it to respond to the increasing needs of these countries, and, for this purpose, bilateral donors, UNDP and other donor institutions should be invited to increase their voluntary contributions to ITC. He was confident that the recent appointment of Mr. D. Belisle to the post of Executive Director of ITC would allow ITC to carry out its work effectively. He expressed the hope that decisions would be taken very soon regarding the filling of the vacant management posts in ITC. ITC would be celebrating its 30th anniversary in 1994 and this would provide an opportunity to review ITC's activities, role, and future and present activities, taking into account the important changes which had taken place in international economic

relations. Such a review should aim at reinforcing ITC's responsibilities as the United Nations technical cooperation agency dealing with trade promotion and export development.

8. The representative of **Switzerland** noted with satisfaction the appointment of the Executive Director of ITC and his delegation looked forward to good cooperation with him. He was confident that ITC would, under the leadership of the Executive Director, return to "business as usual". He referred to the urgency of convening a meeting of the Joint Advisory Group to discuss ITC's future work programme, and to enable ITC to adjust its priorities in response to the increasing needs of the developing countries following the signature of the Final Act of the Uruguay Round.

9. The spokesman for the **Group of 77** (Chile) expressed his Group's satisfaction on the appointment of the Executive Director of ITC. He commended the Officer-in-charge of ITC for his work during a difficult period when the organization had been without an Executive Director. In spite of a reduction of resources, the Officer-in-charge had managed to ensure that ITC continued to respond to the technical assistance needs of the developing countries. Noting with satisfaction that ITC had begun work in very important areas such as eco-labelling, he urged that ITC be associated with UNCTAD in carrying out such activities. He hoped that efforts would be made to strengthen the links between UNCTAD and ITC, and in this regard, drew particular attention to the United Nations International Symposium on Trade Efficiency, which would take place later in the year in Columbus, Ohio. He stressed that, in view of the work which ITC had already undertaken on trade efficiency, it should give special support to UNCTAD in preparation for the event.

10. The representative of the **Russian Federation** expressed satisfaction at the nomination of the Executive Director and conveyed his delegation's congratulations to Mr. J. Belisle on his appointment, which should lead a new lease of life and dynamism for the Centre. He supported the proposal that the Joint Advisory Group should undertake a review of ITC's activities on the occasion of its 30th anniversy, including those relating to the countries in transition.

11. The representative of **Canada** expressed his delegation's satisfaction at the appointment of the Executive Director. He supported the proposal to undertake a review of ITC and urged that consultations on this subject be initiated as soon as possible. He conveyed his delegation's appreciation to the Officer-in-charge of ITC for his work in leading ITC during a period when the Centre had been in an untenable situation.

12. The representative of **Peru** recalled the past concerns of the Latin American Group to resolve the situation regarding the appointment of the Executive Director of ITC at the Assistant Secretary-General level. He noted with satisfaction that the situation had now been resolved, and that this was an indication of the importance of ITC's work in trade promotion and export development. He conveyed his delegation's appreciation for the work carried out by the Officer-in-charge of ITC during the past two years, at a time when the Centre had been going through a very difficult period. Referring to the 1994 session of the Joint Advisory Group, he expressed the hope that this meeting would be convened as soon as possible, following the Executive Director's assumption of duties, and that this opportunity should be seized to review ITC's work programme and future role. Finally, he stressed the importance of ITC's work in trade efficiency.

13. The representative of **China** commended the Officer-in-charge of ITC for his work during a very difficult period. He referred to the increasing needs of the developing countries for ITC assistance and expressed satisfaction at the appointment of the Executive Director of ITC. He expressed the hope that, under the leadership of the new Executive Director, ITC would be able to continue its work in a normal fashion. He also expressed the hope that the Joint Advisory Group would be convened as soon as possible in 1994.

14. The representative of **Cameroon** expressed the hope that the appointment of the Executive Director of ITC would enable ITC to revive its important work in trade promotion and export development. He noted with approval the proposal to undertake a review of ITC.

15. The representative of **Sweden**, speaking on behalf of the **Nordic countries**, expressed his satisfaction that the new Executive Director of ITC had been appointed. He conveyed his congratulations to Mr Belisle, pledged his delegation's support to him and looked forward to cooperating with him in the future.

Action by the Board

16. At its 835th meeting, on 19 April 1994, the Board took note of the report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twenty sixth session and the comments made thereon.